

FY 2001 - 2006 PERFORMANCE BASED INCENTIVE**SECTION 1****General Information**

Title: Single-Shell Tank Retrieval Tank S-112

Project Baseline Summary (PBS): TW04

Work Breakdown Structure (WBS): 5.02.01.02.07.12.09

Maximum Available Incentive Fee: *Superstretch: Fee Potential = \$5,789.6K¹, \$6,037.3², \$6,284.9K³, \$TBDK⁴*

Type: Superstretch

¹\$32,164.5K BCWS + \$5,789.6K Fee = \$37,954.1K Funds²\$32,164.5K BCWS + \$6,037.3K Fee = \$38,201.8K Funds³\$32,164.5K BCWS + \$6,284.9K Fee = \$38,449.4K Funds⁴\$3,755K BCWS + \$TBDK Fee = \$TBDK Funds

Note: ORP may at its unilateral discretion choose to revise downward the baseline cost estimate for this Superstretch Performance Based Incentive (SSPBI) to reflect the results of the baseline improvement process (BIP) for FY 2002 – FY 2006. No payments upon this SSPBI would be made until the BIP baseline change request (BCR) has been approved by ORP for the applicable fiscal year.

BCWS and corresponding fee dollars subject to downward adjustment based on approved BCR for this workscope.

SECTION 2**Technical Contacts**

ORP Point of Contact: J. Swailes/K. Fick/J. Cruz

Contractor Point of Contact: J. Eacker/R. Wilson

SECTION 3**Performance Expectations and Earning Schedule****Basis:**

This SSPBI includes incremental incentive to accelerate completion. This acceleration benefits the government by reducing the risk to the environment by removing waste from the tank earlier and reducing the risk of project failure caused by the required waste transfer lines becoming noncompliant in June 2005.

General:

1. The Contractor's final fee will be determined in accordance with clause H.1, Performance Based Incentives and Fee Distribution.
2. Performance Based Incentives may be modified to reflect changes to the project baseline resulting from external drivers, such as, submission and approval of TPA change requests for consistency purposes.
3. Acceptable product completion represents technical adequacy and good value to the government.

Specific Requirements:

1. Complete final Functions and Requirements (F&R) document for tank S-112 and submit to ORP. F&R document will detail SST target retrieval specification, leak detection monitoring and mitigation (LDMM) specification, both based on environmental risk/cost and retrieval/leak loss instrumentation and operational experience from DOE and industry as prescribed in M-45-03-T03. (Earn 23% of 1 fee.) (November 30, 2001)
2. Complete tank S-112 saltcake waste retrieval design (to include physical systems including design and operating strategies necessary for LDMM) to meet the elements specified in Tri-Party Agreement (TPA) Milestone M-45-03D. (Earn 23% of fee 1 fee by March 31, 2003), (Earn 23% of fee 2 fee by November 30, 2002), (Earn 23% of fee 3 fee by September 30, 2002)

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3. Complete tank S-112 saltcake waste retrieval construction (to include physical systems including design and operating strategies necessary for LDMM) to meet the elements specified in TPA M-45-03E. (Earn 29% of 1 fee by July 31, 2004), (Earn 29% of 2 fee by February 28, 2004), (Earn 29% of 3 fee by November 30, 2003)
4. Complete full-scale saltcake waste retrieval demonstration at tank S-112. Waste shall be retrieved to the Double-Shell Tank (DST) system to the limits of the technology (or technologies) selected. This product will meet the elements specified in TPA M-45-03C. (Earn 25% of 1 fee by July 31, 2005), (Earn 25% of 2 fee by January 31, 2005), (Earn 25% of 3 fee by October 31, 2004)

Specific Requirement 5 details to be negotiated after completion of Specific Requirement 2.

5. Complete Waste Residuals Risk Reduction, including documentation requirements specified in Define Completion for Specific Requirement 4, by July 31, 2005. (Earn 100% of 4 fee) Preparations for execution of Waste Residuals Reduction shall be performed in parallel with Specific Requirements 2, 3, and 4 may be terminated at any time by the direction of ORP.

SECTION 4**Performance Requirements**

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.)*

1. The completion date for Performance Expectation 1 is a target date. Fee can be earned by completing the performance expectation by the target date. If Performance Expectation 1 is completed late, the fee associated with the missed performance expectation will be deferred until Performance Expectation 2 is completed in accordance with the requirements of Specific Requirement 2. All deferred fee will be paid upon completion of Performance Expectation 2. Complete final F&R document for tank S-112 to submit to the ORP by November 30, 2001. This F&R document will address the elements discussed in M-45-03-T03 (e.g., Retrieval Performance Evaluations, LDMM strategy, lessons learned as well as standard F&R elements). Note for information only, this document will be submitted to Ecology for their comments (not approval) to support completion of the TPA milestone M-45-03-T03.
2. Complete tank S-112 Saltcake waste retrieval design (to include physical systems including design and operating strategies necessary for LDMM). Design will be considered complete when 90% of the design has been approved for fabrication and / or construction. Design shall be submitted to ORP approved by the contractor. A letter from the contractor to ORP will be transmitted on or before due date (TPA M-45-03D date is 5/31/03), documenting compliance with this completion requirement.
3. Complete tank S-112 Saltcake waste retrieval construction (to include physical systems including design and operating strategies necessary for LDMM). Construction will be considered complete when the process equipment is installed and acceptance tests (ATPs) are completed. A letter will be transmitted by the contractor to ORP documenting compliance with this completion requirement on or before due date (TPA M-45-03E date is 9/30/2004).
4. Complete full-scale saltcake waste retrieval technology demonstration at tank S-112. Waste shall be retrieved to the DST system to the limits of the technology (or technologies) selected, and the parties of this contract recognize and agree that this action is for demonstration and initial waste retrieval purposes. Documentation on the results of the waste retrieval operations/results, the operability and technical performance of the LDMM system and an evaluation as to the suitability for use of both the retrieval system and LDMM system in potentially leaking tanks will be provided. A letter will be transmitted by the contractor to ORP documenting compliance with this completion requirement on or before due date (TPA M-45-03-C date is 9/30/2005).
5. TBD. Upon completion of Specific Requirement 2.

FY 2001 - 2006 PERFORMANCE BASED INCENTIVE**DEFINITIONS:** *(define terms)*

Final F&R means contractor-approved.

COMPLETION DOCUMENTS LIST: *(Name the Documents, Databases, etc., which will be submitted to show completion for each Performance Expectation.)*

1. Issuance of the Final Functions and Requirements Document for S-112 to ORP.
2. A letter from the contractor to ORP documenting compliance with the completion requirement for completion of the S-112 Saltcake waste retrieval technology demonstration design.
3. A letter will be transmitted by the contractor to ORP documenting compliance with the completion requirement for completion of construction.
4. A letter will be transmitted by the contractor to ORP documenting compliance with the completion requirement for full-scale saltcake waste retrieval demonstration for tank S-112.
5. TBD

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS: *(For reasonably foreseeable impacts to performance that are not within control of Contractor. If the assumption or condition proves false, the remedy is renegotiations unless stated otherwise.)*

1. ORP required reviews and approvals, will be performed within a time period of 30 calendar days. A day for day slip in completion of the milestones will be given to the contractor for delays beyond the 30-calendar day review.
2. The S-112 Project will remain an expense-funded project and will be managed in accordance with the guidance of HNF-IP-0842, Volume 13, Section 1.4, "Construction Project Management - Minor Projects."
3. Approval of RPP-7825, "Single-Shell Tank S-112 Full Scale Saltcake Waste Retrieval Technology Demonstration Functions and Requirements," will be granted by ORP and Ecology by June 19, 2002.
4. Existing Tank Farm infrastructure relied upon for use in execution of the retrieval (i.e., SY tanks, transfer lines, support systems, interim stabilization equipment, etc.) remains operational and available for use.
5. The strategy for LDMM proposed by RPP-7825, Revision 0, "Single-Shell Tank S-112 Full Scale Saltcake Waste Retrieval Technology Demonstration Functions and Requirements," is adequate.
6. An Interim Stabilization end-state for Tank S-112 can be developed and agreed to by ORP and Ecology that will meet the intent of Consent Decree CT-99-5076-EFS, will satisfy the completion requirements of Performance Based Incentive ORP-05 for the tank, and will not delay the start of the S-112 Project retrieval operations once readiness to initiate saltcake dissolution has been established. A day-for-day slip in completion of Specific Requirements 4, *Complete full-scale saltcake waste retrieval demonstration at tank S-112*, will be given to the contractor for delay in the start of retrieval operations caused by lack of such an agreement.
7. Readiness Review activities will be a contractor-approved graded approach Readiness Assessment as defined by HNF-IP-0842, Volume 13, Section 3.1.
8. Contractor approval of the Final Design Review Report is considered to be the point at which 90% of the design is approved for fabrication and/or construction.
9. Specific Requirement 3 does not include installation/construction activity necessary to support the Waste Residuals Risk Reduction activity (Specific Requirement 5).
10. Completion of Specific Requirement 4 does not include the activity necessary to support the Waste Residuals Risk Reduction activity (Specific Requirement 5). If the Waste Residuals Risk Reduction activity (Specific Requirement 5) is judged to be necessary by ORP, then it will not be possible to achieve the Specific Requirement 4 objectives by the dates listed. If the Waste Residuals Risk Reduction activity (Specific Requirement 5) is judged to be necessary by ORP, then the maximum fee listed for completion of Specific Requirement 4 can be earned by TBD.


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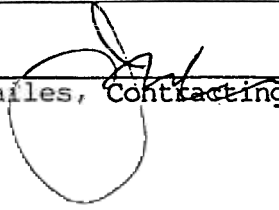
SECTION 5
Signatures

 8/23/02
ORP Manager/Date

 5/31/02
CHG President and General Manager/Date

 8/23/02
ORP Contracting Officer/Date

 5/31/02
CHG Contract Representative/Date

 6/4/02
John H. Swaffles, Contracting Officer Representative Date